

Russia Brushes Off U.S. Ire Over Oil-for-Goods Talks With Iran

By The Moscow Times

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Russia is set to continue talks with Iran on a possible oil-for-goods swap that would make Moscow a major importer of Iranian oil despite concerns by the U.S., Kommersant reported Thursday, citing a Russian diplomatic source.

Washington says the deal would be in defiance of the Western sanctions that helped force Iran in November to sign an agreement to end its nuclear program, while Russia maintains it has no existing sanctions against Iran and is free to reach such a deal.

Iranian and Russian sources said that the two nations were negotiating a swap worth \$1.5 billion that could see Russia buy up to 500,000 barrels of Iranian oil daily in exchange for Russian equipment and goods, Reuters reported last week.

White House spokesman Jay Carney told reporters Wednesday that the swap could generate sanctions against parties involved in such an agreement. Washington expects that

the reported deal would increase Iran's oil exports, which have been cut by more than half to about 1 million barrels a day by sanctions led by the U.S. and the European Union over Tehran's nuclear program.

The West fears Iran's nuclear program could allow it to build a nuclear bomb. Iran says its program is peaceful.

A Russian government source told Kommersant that this would be not just an ordinary swap and would also involve money payments. He said a possible agreement might be reached regardless of the date when Western sanctions on Iranian oil are lifted.

The sanctions relief for Tehran under the November deal struck by world powers and Iran's government is due to be implemented by Jan. 20.

"Russia does not violate any sanctions and is not obliged to coordinate such projects with anyone," the government source said.

In a phone conversation Wednesday, Russian Foreign Minister Sergei Lavrov told his U.S. counterpart, John Kerry, that Russia had a right to buy Iranian oil in any volumes and that Tehran could buy Russian-made goods.

The issue was expected to be discussed at a Thursday meeting between President Vladimir Putin and Iranian Foreign Minister Mohammed Javad Zarif in Moscow, as well as during Putin's upcoming visit to Iran, Kommersant reported.

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